

Bill and Marlene Stewart  
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December 14, 2006

Re: Brumbaugh, et al. v. Wave Systems Corporation, et al.

Honorable Michael A. Ponser  
United States District Judge  
United States District Court  
For the District of  
Massachusetts, Springfield  
Division  
1550 Main Street  
Springfield, MA 01103

Dear Judge Ponser:

We are Class Members in Brumbaugh, et al. v. Wave Systems Corporation, et al. Please consider this our formal objection to the proposed settlement.

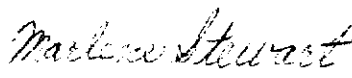
We purchased 2,000 shares of Wave Systems Corp. stock on August 4, 2003 for \$3.91 per share because we were aware through television reports and information that we received online via our computer that the stock price surged in a very short period of time.

We sold the 2,000 shares on December 16, 2003 for \$1.835 per share resulting in a loss of \$2.075 per share for a total loss of \$4,150.00. We sold because we were aware that the stock was losing value daily. We do not use a broker – we keep very close track of our investments as we are in our seventies and our stock investments are our major source of income.

We feel that the settlement is unfair because our "Recognized Claim" is only \$0.03 instead of \$0.31. Therefore, it appears to us that we are being penalized \$0.28 per share for a total of \$560.00 for paying attention to our investment and selling two days sooner. Please consider the unfairness of our circumstance when you deliberate how the proceeds of the settlement are to be divided. Thank you in advance for your consideration in this matter.

Sincerely,

  
Bill Stewart

  
Marlene Stewart

Copies provided to:

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